

**EARLY CHILDHOOD AND  
FAMILY LEARNING  
FOUNDATION**

Audit of Financial Statements

June 30, 2010 and 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11

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## **Independent Auditor's Report**

To the Board of Directors  
Early Childhood and Family Learning Foundation

We have audited the statement of financial position of the Early Childhood and Family Learning Foundation (the Foundation) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Early Childhood and Family Learning Foundation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010, on our consideration of the Early Childhood and Family Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Laferte, Sekit, Koning & Bond

**December 21, 2010**

**EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION**  
**Statements of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>Assets</b>		
Cash - Unrestricted	\$ 711,795	\$ 127,297
Accounts Receivable - Grants and Contracts	174,233	180,770
Prepaid Expenses	49,616	2,409
Other Receivables	1,158	1,177
Furniture and Office Equipment, Net	80,032	12,454
<b>Total Assets</b>	<b>\$ 1,016,834</b>	<b>\$ 324,107</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 46,047	\$ 4,988
Other Accrued Expenses	2,011	6,066
<b>Total Liabilities</b>	<b>48,058</b>	<b>11,054</b>
<b>Net Assets</b>		
Temporarily Restricted	762,084	114,258
Unrestricted	206,692	198,795
<b>Total Net Assets</b>	<b>968,776</b>	<b>313,053</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,016,834</b>	<b>\$ 324,107</b>

The accompanying notes are an integral part of these financial statements.

**EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION**  
**Statements of Activities**  
**For Years Ended June 30, 2010 and 2009**

	2010	2009
<b>Unrestricted Net Assets</b>		
<b>Unrestricted Support and Revenue</b>		
Grants and Contracts	\$ 778,580	\$ 122,500
Contributions	1,050	1,100
Fundraising	285,509	89,275
Other	4,115	317
Net Assets Released from Restriction	352,904	677,940
Interest Income	2,696	1,445
<b>Total Unrestricted Support and Revenue</b>	<b>1,424,854</b>	<b>892,577</b>
<b>Unrestricted Expenses</b>		
Program Services	860,332	427,596
Supporting Services	374,808	349,544
Fundraising	181,817	88,463
<b>Total Unrestricted Expenses</b>	<b>1,416,957</b>	<b>865,603</b>
<b>Increase in Unrestricted Net Assets</b>	<b>7,897</b>	<b>26,974</b>
<b>Temporarily Restricted Net Assets</b>		
<b>Temporarily Restricted Revenue and Support</b>		
Contributions	4,980	12,060
Grants and Contracts	995,750	758,552
Net Assets Released from Restriction	(352,904)	(677,940)
<b>Increase in Temporarily Restricted Net Assets</b>	<b>647,826</b>	<b>92,672</b>
<b>Change in Net Assets</b>	<b>655,723</b>	<b>119,646</b>
<b>Net Assets, Beginning of Year</b>	<b>313,053</b>	<b>193,407</b>
<b>Net Assets, End of Year</b>	<b>\$ 968,776</b>	<b>\$ 313,053</b>

The accompanying notes are an integral part of these financial statements.

**EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION**  
**Statements of Cash Flows**  
**For Years Ended June 30, 2010 and 2009**

	2010	2009
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 655,723	\$ 119,646
Depreciation	6,958	3,566
Decrease (Increase) in Accounts Receivable - Grants and Contracts	6,537	(60,097)
(Increase) Decrease in Prepaid Expenses	(47,207)	2,051
Decrease (Increase) in Other Receivables	19	(1,177)
Increase (Decrease) in Accounts Payable	41,059	(25,576)
(Decrease) Increase in Other Accrued Expenses	(4,055)	6,066
<b>Net Cash Provided by Operating Activities</b>	<b>659,034</b>	<b>44,479</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Furniture and Office Equipment	(74,536)	(1,889)
<b>Net Cash Used in Investing Activities</b>	<b>(74,536)</b>	<b>(1,889)</b>
<b>Cash Flows from Financing Activities</b>		
Principle Payments on Note Payable	-	(35,495)
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>(35,495)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>584,498</b>	<b>7,095</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>127,297</b>	<b>120,202</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 711,795</b>	<b>\$ 127,297</b>
<b>Supplemental Disclosure Cash Flow Information</b>		
Cash Paid for Interest	\$ -	\$ 593

The accompanying notes are an integral part of these financial statements.

## EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

##### **Nature of Activities**

Early Childhood and Family Learning Foundation (the Foundation) is a Louisiana nonprofit organization chartered on March 14, 2007. Its purpose is the first step in implementing the Early Childhood and Family Learning Foundation "100% IN...100% OUT Plan" for Orleans Parish. This plan is designed to provide the opportunity for birth to five year old children and their families by providing them to access high quality child care and education, the opportunity for 100% of the children and youth in the schools of Orleans Parish to access quality coordinated school health (including high quality physical and mental health services), the opportunity for the families enrolled in the program to access services such as medical, mental health, public assistance (Medicaid, Food Stamps, etc) as well as other community services through integrated service delivery and case management, and finally, the Mahalia Jackson Center, through ECFLF and the MOU Partners, will become a resource center for access to integrated community services (physical and mental health, social, family, economic, legal, education, case management etc.) for Central City residents.

##### **Basis of Accounting**

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

##### **Basis of Presentation**

Financial statement presentation is in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets as of June 30, 2010 and 2009. The Foundation's contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Furniture and Office Equipment**

Furniture and office equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. The Foundation's threshold for capitalization is \$1,000. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

## EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Contributed Services**

No amounts have been reflected in the financial statements for contributed services since the recognition criteria under accounting principles generally accepted in the United States of America have not been met.

##### **Revenue and Expenses**

Support for the Foundation is provided primarily by grants funded by private foundations and by State and Federal agencies. Grant revenue is recognized as expenditures, for allowable grant purposes, are incurred. Grant funding received in advance of expenditures for allowable grant purposes is recognized as deferred revenue. Expenses are to be made in accordance with grant budgets that have been adopted.

##### **Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Foundation considers the all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

##### **Economic Dependency**

Support for the Foundation is provided primarily by grants from private foundations and through agencies of the State of Louisiana and the Federal Government. The continued operations of the Foundation are dependent upon the renewal of current grants and/or the procurement of additional funding sources.

##### **Federal Income Taxes**

The Foundation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

##### **Reclassifications**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation

## EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION

### Notes to Financial Statements

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#### Note 2. Concentration of Risk

The Foundation periodically maintains cash in bank accounts in excess of insured limits. The Foundation has not experienced any losses and does not believe that significant credit risks as a result of this practice.

#### Note 3. Furniture and Office Equipment

Furniture and office equipment consist of the following at June 30, 2010 and 2009:

	2010	2009
Furniture and Equipment	\$ 12,958	\$ -
Computer Equipment and Software	35,219	17,966
Leasehold Improvements	44,324	-
	<u>92,501</u>	<u>17,966</u>
Less: Accumulated Depreciation	<u>(12,469)</u>	<u>(5,512)</u>
<b>Total</b>	<b><u>\$ 80,032</u></b>	<b><u>\$ 12,454</u></b>

Depreciation expense for the years ended June 30, 2010 and 2009 totaled \$6,958 and \$3,566, respectively.

#### Note 4. Commitments and Contingencies

##### Information Technology (IT) Technical Assurance Services

The Foundation has signed a memorandum of understanding with Louisiana Public Health Institute (LPHI) to provide IT Technical Assurance Services to the Foundation. The memorandum was signed on April 1, 2008 and is renewable on a quarterly basis. For the fiscal years ended June 30, 2010 and 2009 total expense reported under this arrangement was \$72,000 and \$49,500, respectively.

##### Operating Leases

During 2009 and through May 21, 2010 the Foundation rented office space from Louisiana Public Health Institute (LPHI). Monthly rental expense was based upon three to six workstations used by the Foundation. Rent expense incurred during the years ended June 30, 2010 and 2009 under this lease totaled \$15,016 and \$15,500, respectively.

The Foundation also executed a lease for a copy machine on April 28, 2010. The lease requires thirty-six monthly payments of \$385. Total expense incurred during the years ended June 30, 2010 and 2009 totaled \$515 and \$0-, respectively.

## EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION

### Notes to Financial Statements

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#### Note 4. Commitments and Contingencies (Continued)

The Foundation also executed a lease for a postage meter on May 5, 2010. The lease requires 60 monthly payments of \$80. Total lease payments incurred during the years ended June 30, 2010 and 2009 totaled \$76 and \$-0-, respectively.

The future minimum lease payments under the above leases are as follows:

<b>Fiscal Year Ended June 30,</b>	<b>Lease Commitment</b>
2011	\$ 5,580
2012	5,580
2013	4,810
2014	960
2015	880
Thereafter	-
<b>Total</b>	<b><u>\$ 17,810</u></b>

#### Note 5. Cooperative Endeavor Agreement

The Foundation signed a Cooperative Endeavor Agreement with Orleans Parish School Board on June 11, 2009. The Agreement states that the Foundation will pay its pro rata share (based on square footage usage) for the costs of janitorial and maintenance services, phone and IT services, electricity, water and sewerage services, security, food services, and other utilities and insurance necessary to operate the Foundation and the ancillary services provided by its collaborative partners utilizing office and other facilities at the Early Childhood Center. Notwithstanding the aforementioned costs, the Foundation is exempt from the payment of rent for the square footage it occupies in consideration for the value of the ancillary services the Foundation and its collaborative partners provide to the Early Childhood Center. The Foundation incurred no costs as a result of this Agreement during the fiscal years ending June 30, 2010 and 2009.

#### Note 6. Note Payable

On March 28, 2008, the Foundation entered into a note payable in the amount of \$50,000, with its existing financial institution, for working capital. The note carried an interest rate of 6.259% and matured on September 28, 2008. The principle balance of the note on June 30, 2010 and 2009 was \$-0-. Interest expense for the year ended June 30, 2010 and 2009 was \$-0- and \$593, respectively.

## EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION

### Notes to Financial Statements

#### Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2010 and 2009 have the following donor restrictions on them:

	2010	2009
The Mahalia Jackson Center Project	\$ 658,659	\$ 63,062
Education Outreach Program	79,871	33,596
Health and Wellness Program	11,600	11,600
Community Services Program	11,954	6,000
<b>Total</b>	<b>\$ 762,084</b>	<b>\$ 114,258</b>

#### Note 8. Release of Restricted Assets

Net assets were released from restrictions by meeting the time restrictions or by incurring expenses satisfying the restricted purposes.

	2010	2009
<b>Restrictions Accomplished:</b>		
The Mahalia Jackson Center Project	\$ 262,403	\$ 377,666
Education Outreach Program	49,290	82,052
Health and Wellness Program	-	135,259
Community Services Program	41,211	82,963
<b>Total</b>	<b>\$ 352,904</b>	<b>\$ 677,940</b>

#### Note 9. Pension Plan

The Foundation sponsors a defined contribution retirement plan established under Section 403(b) of the Internal Revenue code. The amount contributed by the Foundation for the years ended June 30, 2010 and 2009, was \$ 27,781 and \$23,344, respectively.

#### Note 10. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. See Supplemental Schedule I for a detailed listing of the functional allocation of expenses.

## EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION

### Notes to Financial Statements

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#### Note 11. Subleases and Memorandums of Understanding

The Foundation has signed several subleases and memorandums of understanding with its on-site partners at Mahalia Jackson Center. The on-site partners have agreed to provide various social services and health services to the community which is outlined in the memorandums of understanding.

In addition, the Foundation has signed several subleases with the on-site partners for use of their space at Mahalia Jackson Center. The terms of the subleases range from 4-5 years with an estimated monthly rental income of \$18,490 for the upcoming fiscal year.

#### Note 12. Accounting for Uncertain Tax Positions

On January 1, 2009, the Foundation adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic had no impact on the consolidated statement of financial position or statement of activities.

All tax returns have been appropriately filed by the Foundation. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. The Foundation's open audit periods are 2006 through 2009. Management evaluated the Foundation's tax position and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

#### Note 13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 21, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



### **Independent Auditor's Report on Supplementary Information**

To the Board of Directors  
Early Childhood and Family Learning Foundation

Our report on our audits of the basic financial statements of Early Childhood and Family Learning Foundation for June 30, 2010, appears on pages 1 and 2. These audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A Professional Accounting Corporation

December 21, 2010

**EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION**  
**Schedule I - Program and Supporting Services**  
**For Years Ended June 30, 2010 and 2009**

<b>Expenses</b>	<b>Program Services</b>	<b>Supporting Services</b>	<b>Fundraising</b>	<b>2010 Total</b>	<b>2009 Total</b>
Compensation and Fringe Benefits	\$274,885	\$ 236,115	\$ -	\$ 511,000	\$513,297
Food and Beverage	9,600	978	1,021	11,599	13,657
Laundry, Linen and Housekeeping	-	63	-	63	-
Office Supplies	4,505	1,930	-	6,435	3,780
Printing and Copying	21,602	5,192	-	26,794	12,585
Other Supplies	4,805	2,658	42	7,505	6,096
Other Supplies-Computer	957	410	-	1,367	-
Subscriptions and Other Publications	286	122	-	408	-
Recreation and Educational Equipment	10,642	3,913	-	14,555	2,245
Occupancy	10,511	4,505	-	15,016	16,115
Miscellaneous Office Supplies and Equipment	102,754	44,037	-	146,791	1,243
Organization Dues	-	505	-	505	1,310
Bank Service Charges	-	80	-	80	16
Liability Insurance	-	6,048	-	6,048	4,274
Director and Officers Insurance	-	861	-	861	2,136
Communications	3,133	1,342	-	4,475	4,148
Postage and Delivery	180	77	11	268	222
Janitorial and Other Maintenance	972	1,097	-	2,069	2,835
Depreciation	4,871	2,087	-	6,958	3,566
Automobile Expense Reimbursements	-	877	-	877	15,823
Parking and Tolls	4,109	1,761	-	5,870	-
Field Trips and Special Events	7,849	-	-	7,849	-
Meetings and Supplies	2,028	870	-	2,898	416
Program Development	10,800	-	-	10,800	-
Registration Fees	-	2,467	-	2,467	2,702
Rent - Office Equipment	414	177	-	591	-
Interest	-	-	-	-	593
Travel	14,929	1,846	260	17,035	8,122
Contracted Services	239,289	34,315	104,636	378,240	138,689
Legal and Professional	30,211	17,777	-	47,988	42,483
Consulting Fees	100,000	-	-	100,000	69,250
Event Expenses	-	-	75,847	75,847	-
Miscellaneous Expenses	1,000	2,698	-	3,698	-
<b>Totals</b>	<b>\$860,332</b>	<b>\$ 374,808</b>	<b>\$ 181,817</b>	<b>\$1,416,957</b>	<b>\$865,603</b>

**EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
**For Year Ended June 30, 2010**

<b>Federal Grantor/Pass-through Grantor/ Federal CFDA Program Title/Early Childhood and Family Learning Foundation Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant I.D. Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Louisiana Department of Social Services - Office of Community Services			
Child Abuse Prevention and Treatment	93.590	CFMS#680151	\$ 10,000
Total U.S. Department of Health and Human Services			<u>10,000</u>
<b>U.S. Department of Education</b>			
Passed through the Louisiana Department of Education			
Individuals with Disabilities Education Act (IDEA)	84.027	CFMS#684345	115,000
Passed through the Louisiana Department of Education			
Elementary and Secondary Education Act (ESEA)	84.215	U215K080217	169,599
Passed through the Louisiana Department of Education			
Elementary and Secondary Education Act (ESEA)	84.215	U215K090214	<u>230,652</u>
Total U.S. Department of Education			<u>515,251</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 525,251</u></u>

**Notes to the Schedule of Expenditures of Federal Awards:**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Early Childhood and Family Learning Foundation (the Foundation) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on OMB-Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**Note B - Sub-Recipients**

Early Childhood and Family Learning Foundation has not provided federal awards to sub-recipients.

**Note C - Reconciliation of Federal Award Expenditures**

The Foundation recorded revenues of \$525,251 in federal awards that were expended in the year ended June 30, 2010.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Early Childhood and Family Learning Foundation

We have audited the financial statements of Early Childhood and Family Learning Foundation as of and for the year ended June 30, 2010, and have issued our report thereon dated December 21, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audits we considered Early Childhood and Family Learning Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Early Childhood and Family Learning Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Early Childhood and Family Learning Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Latorte, Secy, Koenig & Bond

**A Professional Accounting Corporation**

December 21, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
Early Childhood and Family Learning Foundation

**Compliance**

We have audited the compliance of Early Childhood and Family Learning Foundation (a nonprofit organization) (the Foundation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Foundation's compliance with those requirements.

In our opinion, the Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

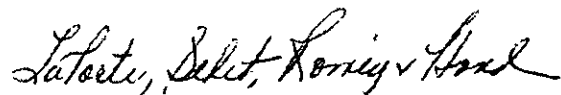
### Internal Control over Compliance

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, BESE, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.



A Professional Accounting Corporation

December 21, 2010

**EARLY CHILDHOOD AND FAMILY LEARNING FOUNDATION**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

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**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Early Childhood and Family Learning Foundation.
2. No significant deficiencies relating to the audit of the financial statements of Early Childhood and Family Learning Foundation are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Early Childhood and Family Learning Foundation were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Early Childhood and Family Learning Foundation expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this Schedule.
7. The programs tested as major programs include:

U.S. Department of Education/FIE (CFDA # 84.215K)
8. The threshold used to distinguish between Type A and Type B programs was \$300,000.
9. Early Childhood and Family Learning Foundation did not qualify as a low-risk auditee.

**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None

**EARLY CHILDHOOD AND FAMILY FOUNDATION**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

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**A. Prior Year Findings and Questioned Costs**

None.